

Message Text

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ACTION EUR-12

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FM AMEMBASSY BUCHAREST
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E.O. 11652: N/A
TAGS: BTIO, ECEM, RO
SUBJ: ROMCHIM REQUESTS EMBASSY ASSISTANCE IN NEGOTIATIONS
 WITH TWO U.S. FIRMS
REF: BUCHAREST 7514

1. EMBOFF'S MET WITH ROMCHIM GENERAL MANAGING DIRECTOR ANATOLIE PATRUBANI ON DEC. 21 IN FIRST OF SERIES OF WHAT ARE TO BE QUARTERLY MEETINGS TO REVIEW MAJOR CHEMICAL INDUSTRY PROJECTS FOR WHICH ROMCHIM RESPONSIBLE. THIS INITIAL MEETING ALSO USED TO DISCUSS SOHIO TRADE COMPLAINT (SEE REFTEL). IN COURSE MEETING, PATRUBANI RAISED TWO PROJECTS WHICH ROMCHIM NEGOTIATING WITH U.S. COMPANIES AND FOR WHICH HE SOLICITED OUR ASSISTANCE.

2. FIRST PROJECT INVOLVES PETROTEX OF HOUSTON, TEXAS. PROJECT INVOLVES PURCHASE OF LICENSE AND EQUIPMENT FOR PLANNED \$10 MILLION BUTYLSTYRENE RUBBER PLANT. NEGOTIATIONS FAIRLY ADVANCED BUT THERE TWO PROBLEMS: A) MAJOR DIFFERENCE BETWEEN FINANCING AND REPAYMENT TERMS REQUESTED BY PETROTEX AND ROMCHIM'S COUNTER OFFER; AND B) RELATED PROBLEM OF ROMCHIM'S INSISTENCE THAT PETROTEX AGREE TO ITS CONTRACT CLAUSE ON PERFORMANCE GUARANTEE FOR PLANT AS IT RELATES TO PRODUCTION QUANTITIES AND QUALITY. PATRUBANI SHOWED EMBOFF'S COPY OF TELEX SENT ON DEC. 21 TO ROMANIAN AMBASSADOR IN WASHINGTON OUTLINING PETROTEX PROPOSAL, ROMCHIM COUNTER PROPOSAL, AND REQUESTING ROMANIAN
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EMBASSY TRANSMIT THIS OFFER TO PETROTEX.

3. SECOND PROJECT INVOLVES DRESSER-CLARK DIVISION OF DRESSER INDUSTRIES (OLENAN, N.Y.) AND RELATES TO ROMCHIM INTEREST IN PURCHASING COMPRESSORS FOR THREE NEW AMMONIA PLANTS. ROMCHIM

PREVIOUSLY PURCHASED DRESSER-CLARK COMPRESSORS FOR OTHER PLANTS THROUGH LATTER'S REPRESENTATIVE DE LAVAL. WHEN LATTER DID NOT QUOTE ON CURRENT PROJECTS, ROMCHIM SOLICITED QUOTES DIRECTLY FROM DRESSER-CLARK IN U.S. AND ITS FRENCH SUBSIDIARY; BIDS SUBMITTED IN NOVEMBER. PATRUBANI ALLEGES THAT DRESSER-CLARK QUOTES FROM BOTH U.S. AND FRANCE ARE \$2.5 MILLION (35 PERCENT) ABOVE COMPETITION.

GIVEN ROMCHIM'S GOOD EXPERIENCE WITH DRESSER-CLARK COMPRESSORS, PATRUBANI WOULD APPRECIATE RECEIVING INFO AS TO WHY COMPANY'S COMPRESSORS NOW PRICE UNCOMPETITIVE, AT LEAST IN ROMANIA.

4. REQUEST DOC PASS ABOVE INFO TO PETROTEX AND DRESSER-CLARK RESPECTIVELY. PLEASE ADVISE US OF COMPANY REACTION AND ANY APPROPRIATE ACTIONS THAT THEY MAY WISH US TO TAKE.
BARNES

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Message Attributes

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